REMARKS

Reconsideration of the application is respectfully requested.

This amendment merely clarifies some language in the independent claims without changing their scope. The amendment clarifies the nature of the claimed invention as requiring at least two distinct portions or stages, for determining the final motion vector that is assigned to a given target block that is to be encoded. For a given target block, the first stage determines a set of K candidate blocks using a first distortion measure and a limited set of pixels. In the second stage, the final motion vector is estimated, from the set of K candidates computed in the first stage, using a second distortion measure. Applicant respectfully disagrees that <u>Liu</u> and <u>Pullen</u> teach or suggest this overall technique for motion vector estimation. In particular, <u>Pullen</u> has nothing to do with motion vector estimation. Moreover, the determination of cost factors and code words in <u>Pullen</u> cannot be reasonably analogized by one of ordinary skill in the art, to the motion vector estimation procedure of <u>Liu</u>.

Any dependent claims not mentioned above are submitted as not being anticipated or obvious, for at least the same reasons given above in support of their base claims.

It should be noted that not all of the assertions made in the Office Action, particularly those with respect to the dependent claims, have been addressed here, in the interest of conciseness. Applicants reserve the right to challenge any of the assertions made in the Office Action by the Examiner, with respect to the relied upon art references and how they would relate to Applicants' claim language, including the right to swear behind or otherwise remove an improper art reference.

CONCLUSION

In view of the foregoing, it is believed that all claims now pending patentably define the subject invention over the prior art of record and are in condition for allowance and such action is earnestly solicited at the earliest possible date.

If necessary, the Commissioner is hereby authorized in this, concurrent and future replies, to charge payment or credit any overpayment to Deposit Account No. 02-2666 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17, particularly extension of time fees.

Respectfully submitted,

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Dated: September 7, 2007.

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CERTIFICATE OF ELECTRONIC FILING

I hereby certify that this paper is being transmitted online via EFS Web to the Patent and Trademark Office, Commissioner for Patents, Post Office Box 1450, Alexandria, Virginia 22313-1450, on September 7, 2007.

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